



Commonwealth of Massachusetts
Executive Office of Health and Human Services
Office of Medicaid
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Eligibility Operations Memo 07-05
March 15, 2007

TO: MassHealth Eligibility Operations Staff

FROM: Russ Kulp, Director, MassHealth Operations

RE: **2007 Social Security Benefit Cost-of-Living Adjustment (COLA) for Community and Long-Term-Care MassHealth Cases on PACES**

Introduction

The following cost-of-living adjustments were effective January 1, 2007.

- Retirement/Survivors/Disability Insurance (RSDI) benefits increased by **3.3%**. See "Special Note" on page three of this memo.
- The maximum monthly spousal maintenance needs allowance increased from \$2,488.50 to **\$2,541.00**.
- The maximum amount of assets that can be kept by an institutionalized individual's spouse increased from \$99,540 to **\$101,640**.
- The basic Medicare Part B premium increased from \$88.50 to **\$93.50** per month. See "Special Note" on page three of this memo.
- The Medicare Part B premium surcharges increased. The updated surcharge table is attached to this memo. See "Special Note" on page three of this memo.

PACES has been updated to reflect these amounts.

Federal Poverty Level-Related Issues and PACES Actions

Federal law mandates that the following groups of people will not lose their eligibility for MassHealth as a result of a cost-of-living adjustment:

- elderly or disabled MassHealth members whose income is less than or equal to 100% of the federal poverty level (FPL);
- MassHealth Senior Buy-In members whose income is less than or equal to 100% of the FPL;

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**Federal Poverty
Level-Related
Issues and
PACES Actions
(cont.)**

- MassHealth Buy-In for Specified Low Income Medicare beneficiaries (SLMBs) in long-term care whose income is greater than 100% but less than 120% of the FPL; and
- MassHealth Buy-In for SLMBs/Qualifying Individuals in the community whose income is less than 135% of the FPL.

PACES Actions

To protect the eligibility of the above four groups until new FPL guidelines are issued in April of 2007, PACES was temporarily updated with estimated federal poverty level guidelines. Since the 2007 FPLs have been established, PACES has been updated to the following income standards.

	100% FPL	120% FPL	135% FPL
One person	\$ 851	\$1,021	\$1,149
Two persons	\$1,141	\$1,369	\$1,541

PACES was also temporarily updated with the estimated 133% FPL guidelines for calculating the Hermanson personal-care attendant (PCA) unearned income disregards. PACES has been updated with the actual amounts since the 2007 FPL income standards have been issued.

Reminder: The home maintenance needs allowance (HMNA) remains at 100% of the FPL for one person.

**BENDEX/PACES
Updates**

Effective in January, RSDI income amounts were updated using the amounts shown on the BENDEX file, unless the RSDI income on PACES exceeded these amounts. When the RSDI income shown on PACES is greater than what appears on the BENDEX file, the PACES amount will automatically be increased by 3.3%.

**Long-Term-Care
Case Actions**

In December 2006, the following actions were taken:

- PACES calculated new patient-paid-amounts (PPAs) using the 2007 RSDI amounts, effective January 1, 2007, for long-term-care members. Notices, in the MA21 notice format with the new PPA amounts, were sent to members, spouses, and conservators. These notices are viewable only through View Direct.
 - MMIS was updated with the new PPA information.
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**Long-Term-Care
Case Actions
(cont.)**

Notices were mailed to long-term-care facilities informing them of members' old and new PPAs.

**Spousal Case
Actions**

The following actions were taken for spousal cases.

- RSDI amounts were updated for spouses (dependent #50 on PACES) and the new gross RSDI amounts will be used in future calculations.
- Spousal cases were recalculated using the new cap for the minimum monthly maintenance needs allowance (MMMNA).

PACES will use the new MMMNA cap and minimum and maximum spousal asset allowances for calculations as of January 2007.

**Community Case
Actions**

In April 2007, PACES will update the income amounts for category 5 community members on PACES. PACES uses the 2006 RSDI income amounts until the April 2007 FPL change is implemented.-

Special Note

Sometimes the amount of the Medicare Part B premium is adjusted so that there is **no** change in the amount of the January Social Security check.

If the dollar amount of the member's Social Security COLA increase is **less than** the Medicare Part B premium increase, the member's Social Security check would actually be decreased instead of increased. To prevent this from happening, when the Social Security COLA increase is so low that it will not cover the increased cost of the Medicare Part B premium, the Social Security Administration reduces the amount of the member's Medicare Part B premium to an amount that permits the Social Security check in January, after deduction of the premium, to equal the amount of the check received in December. In these instances, the amount of the member's Medicare Part B premium will differ from the base amount or the amounts listed on the surcharge chart.

Reminder: When entering TYPE A income (social security) with a Med Prem amount, always check SVES or BENDEX to verify information.

Questions

If you have any questions about this memo please have your MEC designee contact the Policy Hotline.

2007 Medicare Part B Surcharge Premiums

[Base Premium of \$93.50 Plus Surcharge]

10%	\$102.90
20%	\$112.20
30%	\$121.60
40%	\$130.90
50%	\$140.30
60%	\$149.60
70%	\$159.00
80%	\$168.30
90%	\$177.70
100%	\$187.00
110%	\$196.40
120%	\$205.70
130%	\$215.10
140%	\$224.40
150%	\$233.80
160%	\$243.10
170%	\$252.50
180%	\$261.80
190%	\$271.20
200%	\$280.50

210%	\$289.90
220%	\$299.20
230%	\$308.60
240%	\$317.90
250%	\$327.30
260%	\$336.60
270%	\$346.00
280%	\$355.30
290%	\$364.70
300%	\$374.00
310%	\$383.40
320%	\$392.70
330%	\$402.10
340%	\$411.40
350%	\$420.80
360%	\$430.10
370%	\$439.50
380%	\$448.80
390%	\$458.20
400%	\$467.50